

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2001-131-C - ORDER NO. 2001-667

AUGUST 2, 2001

IN RE: Application of GE Capital Communication)	ORDER GRANTING
Services Corporation and GE Capital)	APPROVAL TO
Telemanagement Services Corporation for)	REORGANIZE, FOR
Authority to Reorganize and For Approval,)	EXPEDITED REVIEW,
As Necessary, of Related Transactions, For)	AND APPROVAL OF A
Expedited Review, and For Approval of a)	NAME CHANGE
Name Change.)	
)	

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Application filed by GE Capital Communication Services Corporation ("GECCS") and GE Capital Telemanagement Services Corporation ("GECTS") (collectively, the "Company") for authority for an internal corporate reorganization whereby GECCS's intrastate customer base and Certificate of Public Convenience and Authority to provide resold long distance telecommunications services in South Carolina will be transferred to GECTS, a wholly owned subsidiary of GECCS. Further, the Company wishes to change its name, after the reorganization, to GE Business Productivity Solutions, Inc. ("GEBPS"). Subsequent to the filing of the Application, the Company requested expedited review and disposition of the Application.

GECCS, a Georgia corporation, is a wholly-owned subsidiary of General Electric Capital Corporation, which in turn, is a wholly-owned subsidiary of General Electric Capital Services, Inc., which in turn, is a wholly-owned subsidiary of General Electric

Company ("GE"). The record reveals that GE is a publicly held New York corporation. GECS, also a Georgia corporation, is a wholly-owned subsidiary of GECS.

By its Application, the Company states that it requests authority for an internal reorganization whereby GECS's intrastate customer base and Certificate of Public Convenience and Authority to provide resold long distance telecommunications services in South Carolina will be transferred to GECS, a wholly-owned subsidiary of GECS. GECS received authority from this Commission to provide resold intrastate interexchange telecommunications services on December 15, 1993 in Order No. 93-1123, Docket No. 1993-483-C. The reorganization involves GECS merging downward into GECS, with GECS being the surviving entity and holding the state telecommunications authorization currently held by GECS. Immediately after the merger, GECS will change its name to "GE Business Productivity Solutions, Inc." The record reveals that GE Capital Telemanagement Services Corporation will be the surviving entity holding state authority and will be managed by essentially the same team of experienced telecommunications personnel. The record states the transaction will not adversely impact South Carolina consumers and that customer functions will be provided by the same team of qualified consumer representatives.

By letter dated May 21, 2001, the Commission's Executive Director instructed the Company to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the docket. The Company

filed Affidavits of Publication as proof that it had complied with the instructions of the Executive Director. There was no intervention in this docket.

MOTION FOR EXPEDITED REVIEW

The Company filed a Motion for Expedited Review of its Application. In furtherance of its request for expedited review, the Company filed verified testimony in support of its Application for authority to engage in an internal reorganization whereby GECCS's intrastate customer base and authority to provide resold long distance telecommunications services in South Carolina will be transferred to GECTS, a wholly-owned subsidiary of GECCS. After the Company filed its Motion for Expedited Review with the accompanying verified testimony, the Commission Staff brought the matter to the Commission for consideration.

Upon consideration of the Company's request for expedited review, the Commission finds that expedited review should be granted. By its request, the Company waives its right to a formal hearing. The Commission finds that notice of the Application was properly afforded to the public and that there were no intervenors. The Commission finds that procedural due process was afforded in this matter and further finds that the Company makes a knowing waiver of a formal hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and for purposes of the expedited review, the Commission will deem the examination of the Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

EXAMINATION OF THE APPLICATION AND VERIFIED TESTIMONY

According to the Application, the Company requests that this Commission amend its Certificate of Public Convenience and Necessity to expand its authority to provide resold and facilities-based local exchange telecommunications services and facilities-based interexchange services. The Company currently holds a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange telecommunications services in the State of South Carolina. Authority to provide resold intrastate interexchange telecommunications services in South Carolina was granted December 15, 1993 by Order No. 93-1123 issued in Docket No. 1993-483-C.

According to the Application and the verified testimony of Meredith H. Gifford, Assistant Vice President Regulatory Affairs and Assistant Secretary for GECCS and GECTS, this Company, by means of an intracorporate merger, proposes to have GECTS take over GECCS's intrastate customer base and business of providing resold interexchange telecommunications services in South Carolina. Ms. Gifford states in her testimony that she will continue to hold the same two corporate positions with GECTS, which will be renamed as GE Business Productivity Solutions, Inc. (GEBPS) after the reorganization. GECCS is a Georgia corporation. It is a wholly-owned subsidiary of GE Electric Capital Corporation, which in turn is a wholly-owned subsidiary of General Electric Capital Services, Inc., which in turn is a wholly-owned subsidiary of General Electric Company. GE is a publicly held New York corporation. GECTS, also a Georgia corporation, is a wholly-owned subsidiary of GECCS. She further testifies that the Company is legally authorized to transact business in South Carolina by the South

Carolina Secretary of State. The record reveals that GECCS is authorized to provide and is providing resold long distance telecommunications services to business and residential customers throughout South Carolina and in every state in the United States, except Alaska. The record also reveals that GECCS is authorized to provide resold local telecommunications services in approximately eleven states, and currently provides local service in Connecticut and Massachusetts. GECCS also has an international Section 214 authorization from the Federal Communications Commission to provide international resold switched services.

According to the record and Ms. Gifford's testimony, pursuant to the contemplated merger, GECCS will merge into GECTS and the latter will be the surviving entity, renamed as GEBPS. GECCS will cease to exist as a separate corporate entity. As part of the merger, and upon receipt of the required regulatory approvals, the telecommunications authorizations currently held by GECCS will be transferred to GECTS, which, as mentioned above, will later be renamed as GEBPS. The record further reveals that where required, affected customers will be given appropriate and adequate notice of the merger and the resulting change of their telecommunications service provider. By using the d/b/a GE Capital Communication Services for residential and prepaid calling card customers, the carrier name will remain essentially the same for those customers; for all customers, the services and rates provided will remain the same.

Ms. Gifford testified that this intracorporate transaction will not adversely impact South Carolina customers. She stated that because GECCS and GECTS are managed by essentially the same team of experienced telecommunications personnel, day-to-day

operations will continue to function as they have in the past. Ms. Gifford further testified that customer service functions will be provided by the same team of qualified consumer representatives. For customer inquiries, the toll-free customer service number will remain 1-800-775-4322. With regard to existing residential and prepaid calling card customers, Ms. Gifford offered that in order to avoid confusion, GEBPS will operate under the d/b/a GE Capital Communication Services upon completion of the merger. By use of this d/b/a, the change will be essentially transparent to these customers. With regard to business customers, GEBPS will operate under the GEBPS name. Ms. Gifford further testified that GECCS has already provided an explanation regarding the merger and name change to all of its customers. She said in order to facilitate a seamless transfer, GEBPS will file a new tariff, as required, that will incorporate all of GECCS's services at the same rates, terms and conditions as are currently available. Ms. Gifford stated that the proposed transfer to GECCS, renamed as GEBPS, will be transparent to customers in South Carolina.

Ms. Gifford testified that GECCS's South Carolina customers have been given written notification of the reorganization and name change. She testified that pursuant to the Commission's notice of publication requirement dated May 21, 2001, the Company published notice of the filing of the Application in area newspapers on May 29, 2001.

The record reveals that Gregg L. Haddad is Chairman of the Board of Directors and President. He has been President of GECCS since October 1994 and President of GE Capital Commercial Direct (GECCD), a division of General Electric Capital Corporation, since January 1996. Prior to joining GECCS, Mr. Haddad held a variety of management

and executive positions with GE Capital and its subsidiaries for six years, starting in July of 1988. Mr. Haddad is a graduate of the University of Chicago Graduate School of Business and of the University of Michigan School of Business Administration, and is a Certified Public Accountant in the State of Ohio. Victor A. Allums is the Company's Senior Vice President, Secretary, and General Counsel. Mr. Allums joined GECCS and GECCD as Senior Vice President and General Counsel in June 1996. Prior to joining GECCS and GECCD, Mr. Allums was Assistant Division Counsel of the information systems division of ALLTEL Corporation and its predecessors (since January 1989) where he was responsible for all aspects of in-house representation of the business. Mr. Allums holds both a law degree and a Master of Business Administration degree from Emory University in Atlanta, and is also a graduate of Auburn University. He is admitted to practice law in the State of Georgia. According to the record, Brian P. Andrews and Michael N. Draskovic are Senior Vice Presidents and Timothy P. Dowd is Executive Vice President.

Having carefully considered the record, we hold that, because the transfer of the customer base and Certificate of Public Convenience and Necessity to provide intrastate long distance services from GE Capital Communication Services to GE Telemanagement Services Corporation will be a seamless transfer, in that customers will receive the same services and essentially the same quality of service, the relief sought in the Application is granted.

Upon review and consideration of the Application, the verified testimony of Ms. Gifford, and the applicable law, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Company (GECCS and GECTS) are corporations organized under the laws of the State of Georgia. GECCS is a wholly-owned subsidiary of General Electric Capital Corporation, which in turn, is a wholly-owned subsidiary of General Electric Capital Services, Inc., which in turn, is a wholly-owned subsidiary of General Electric Company, a publicly held New York corporation. GECTS is a wholly-owned subsidiary of GECCS.

2. GE Capital Telemanagement Services Corporation will be renamed as GE Business Productivity Solutions, Inc. (GEBPS) after the corporate internal reorganization.

3. GEBPS will operate under the name d/b/a GE Capital Communication Services upon completion of the merger with regard to existing residential and prepaid calling customers in order to avoid confusion.

4. GE Capital Communication Services was granted a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange telecommunications services within the State of South Carolina on December 15, 1993, in Order No. 93-1123 (Docket No. 93-483-C).

CONCLUSIONS OF LAW

1. The Motion for Expedited Review of this Application is granted.
2. The relief sought in the Application is granted.

3. The Company shall notify the Commission when the name is changed to GE Business Productivity Solutions, Inc. and shall provide the Commission with documentation from the South Carolina Secretary of State's Office that it is qualified to transact business as a foreign corporation in South Carolina.

4. The Company shall file an intrastate tariff reflecting the Company's new name that will incorporate all of GE Capital Communications Services' services at the same rates, terms and conditions. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. The Company shall file a copy of its Bill Form as required by 26 S.C. Code Ann. Regs. 103-612.2.2 and 102-622.1 (1976) with its final Tariff.

6. The Company shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports can be found at the Commission's website at www.psc.state.sc.us/forms. The title of this form is "Annual Information on South Carolina Operations For Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses. Therefore, the Company shall keep South Carolina specific records.

7. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the

name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. The Company shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.state.sc.us/forms; this form shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. With regard to the origination and termination of toll calls within the same LATA, the Company shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal Communications Commission pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

9. As a condition of offering debit card services, the Commission requires companies to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. GE Capital Communication Services Corporation currently has such a bond on file with this Commission. When this Company has officially adopted its new name and filed its final

tariff, this Commission requires that documentation additionally be filed reflecting that the bond has been transferred to the new entity.

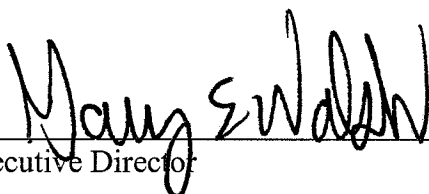
10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)